

**Town of La Pointe  
Alternative Energy Committee  
November 5, 2015**

Members present: Larry Bean, Chair by speakerphone; Tom Banner, Glenn Carlson and Marty Curry  
Members absent: Zach Montagne and Carl Frederickson  
Town Board members present: Jim Patterson, Town Board Chair  
Town Staff present: Lisa Potswald, Interim Town Administrator and Planning and Zoning Administrator  
Public present:

Larry said that AZ is 15 degrees cooler than the island is right now!

**1. Call to order.**

Larry Bean, Chair called the Alternative Energy Committee (AEC) meeting to order on Thursday, November 5, 2015 at 10:00am. A quorum of the committee is present as shown above.

**2. Review and approval of minutes.**

**A. October 1, 2015**

Motion by Marty to approve the October 1, 2015 AEC minutes as presented, second, Tom. All in favor, all aye, motion carried.

**3. Discussion of WI grant opportunity and proposed scope.**

There is a grant opportunity for Federal funds from the State Energy program for municipal operations for implementation and planning. It is almost as if this grant was written for the island.

Since the grant is for municipalities the Bayfield / La Pointe School cannot be included in the grant. The grant announcement was made October 28, 2015; the grant deadline is December 18, 2015. Larry sent materials to Glenn and Lisa on October 30<sup>th</sup>. The timing is not good since the Town staff is in the middle of budget and Chippewa Valley Alternative Energy (CVAE) is busy with people putting in solar developments before the tax credits run out. However, we are as prepared as anyone to go after these funds.

Larry contacted Connie, Library Director and Kimberly, Library Board member. Both are very enthused about the grant and said they will request a \$20,000 match for the project at the Tuesday Library Board meeting. Larry left a message with Dr. Margie at the Medical Clinic. Larry has requested a letter of support from the Library Board and Medical Clinic to be attached to the grant application.

The Bayfield School Board passed a resolution in support of the AEC but the school has declined to provide any money for cost/share for solar at the present time. Lisa said she would ask the Town Board for \$20,000.

Larry said the AEC's first priority was for an 18kW solar array for the Library and Medical Clinic at a cost of \$60,000/\$65,000 for materials and labor. To be noted there is a feature called indirect expenses which the Town could use for contract management for the contractor that is selected to do the installation and for grant management. These funds need to be part of the grant program that supports the staff to manage the program and the grant. If the priority is to install a solar array for the Library and Medical Clinic at a cost of \$60,000/\$65,000, material and labor included, that would leave \$10,000-\$15,000 in indirect costs if we received a \$75,000 grant.

Discussion of the application.

Changes need to be made to the draft narrative that Larry sent to committee members:

First sentence: the 23kW system for the Town Hall, Library and Medical Clinic changed to 33kW: the second page lists a 15kW system for the Town Hall and an 18kW system at the Library/Medical Clinic for a total of 33kW, not 23kW. If we decide to do just the Library/Medical Clinic installation any mention of the 15kW system behind Town Hall except in the Detailed Description of the Project on page 3 which lists all the installations in the entire plan, has to be removed.

There are 3 pages of budget justifications: pages 10, 11 and 12. Pg 10 needs to be filled out by the Town. Pg 11 is cost information we need from CVAE. To be noted, CVAE has been extremely cooperative and helpful. We will have to issue an RFP (Request for Proposals) and hire a contractor and that may or may not be CVAE.

Page 7 is indirect costs. That is where costs are needed for the Town to support the contractor, contract management and grant management.

Lisa said the Town is the applicant so numbers 1, 2, 3, 4 and 5 would be the Town's expenses; "other" would be the contract and 7 would be any indirect cost of what the Town chooses to charge, but the way CVAE has proposed to implement the project is that Town personnel will do site prep and some of the trenching so that information would go into 1 through 5. Larry said that would be up to Lisa as the Town had said they would do site preparation as a match. Larry does not see the Town doing trenching but perhaps some trenching would have to be done by the contractor and that would be the contractor's responsibility. Larry put a match of \$8,000 under indirect costs for site preparation.

Larry would like someone to calculate the cost of leasing the land for a year and then multiplying that cost by 40 years. Question of why the Town would have to lease the land since the Town owns the land. Larry said the land has value; if this was not the Town's land the Town would have to secure the land and that would add to the cost of the project so something that would normally be a cost the Town is providing so the Town should get credit for that cost. This is not a stipulation for receiving tax credits because the Town is not eligible to receive tax credits.

Question if the State would allow the Town to lease the land when the Town owns the land.

Larry said a completed project would have the collectors, racking system and the property the racking system and collectors sit on, all which have value. Larry said since we are not required to have a match we do not have to claim the lease amount. Lisa said we would get additional points if we do have a match. Larry said that is correct.

Marty said we have two proposals for the Library and the Medical Clinic – one proposal that meets the current load and the other proposal to exceed the current load. Which proposal are we talking about? Larry said the 18kW that slightly exceeds the current load. Marty asked if there is an option to downsize the project to fit in with the \$75,000 rather than asking for a match from the Town since the budget is tight. Larry said the option of downscaling to 16kW is on the table. If the Town needs more than \$12,000 or \$15,000 of indirect costs to manage a 75,000 grant then we need to downsize. If the Town does not need more than \$15,000 in indirect costs there is money to do the 18kW proposal without any help from the Library or the Town Board.

Lisa said to compute indirect costs she will talk to Kristian, Town Foreman about site prep and labor costs and to Barb about grant management. There has not been time this week as the Town is in the middle of budget but she will set aside some time next week. The Town Board will review the grant information at the Town Board meeting tonight.

Lisa said the grant application can be put together by December 18<sup>th</sup>. This is a tremendous opportunity but do not know if the grant is of the highest priority when the Town is looking at a \$500,000 deficit. Right now there is one capital project which is the roof on the Emergency Services and Winter Transportation buildings which absolutely has to be done. We just need to decide the priority.

Jim said the Town Board needs to know exactly what our cash contribution out of the budget is going to be. He has heard the contribution is \$75,000, and now is looking like \$49,000 or \$700 and now that might not be that at all. We have to be as frugal as possible and we need to know exactly what we need to come up with in regards to cost. For budgeting purposes you have to cost out contract management, physical labor by town crew and that is costing that can be blended into the organizational structure we already have but for the purpose of accounting you have to write out those hours, write out that money. In terms of funding it might not be that the Town would have to come up with \$49,000. Larry said he does not know where the \$49,000 is coming from. But first, we do not have to accept the grant. We can apply, be awarded the grant and if we see the grant will not work we can decline.

Larry would like to amplify the point that this grant is what the AEC has worked on; the initiative the AEC gave to the Town Board to get to this point. We are at this point now and are able to get full funding without any contribution from the Town or anyone else; full funding for something the AEC has proposed to do and the Town Board has supported that. We are looking at something that is going to cost \$60,000 to \$65,000 in terms of equipment and labor and that leaves us with \$10-\$15,000 for other expenses the town might incur.

Lisa said she agrees that this is a tremendous opportunity but thinks the State will have far more applicants than the State has money so we might not be awarded the whole \$75,000. Larry believes if we ask for \$75,000 we are going to get it. Megan Levy, Director of the State Energy Program sent a note last spring to Larry when Larry inquired about coming to Madison saying her office might come to the island because we had an outstanding project. The State Energy office knows about us, they have talked about supporting us, and have offered to find additional funds for us as well as technical support. These are federal funds in the State Energy Program. I administered federal funds in the State of Iowa for 22 years.

Lisa said the critical thing is to make sure we submit a very solid budget so all our information is included. Glenn said there is a real possibility that the Library could find some money in one of their designated funds. Larry said that the Library would be an insurance policy; a fall back should things occur that we do not anticipate. Glenn said the money could be used as points.

Larry agrees. Lisa said the staff can certainly get the grant application in.

Motion by Glenn to recommend to the Town Board that we apply for the grant because the grant is not going to cost the Town anything. Jim asked if the committee felt the Town Board was getting cold feet but it is really not that way. The Town is in a tight budget situation and has to be very careful. He often hears people say grants are fine but there are always hidden costs and strings attached. We have to make sure this is a clean deal and something we can afford and that we will not have to come back and say this was not anticipated or this was not covered.

Lisa said we are dependent upon the CVAE estimates of what the installation and equipment will cost. CVAE is saying \$60-65,000 so will we go with the \$65,000 option for the two sites? The state most likely will want to see what the breakdown is. Glenn said we will get that information when we get their bids.

Motion by Glenn to recommend to the Town Board that the Town Board consider this grant proposal, second, Tom. Discussion. Larry said at one time the AEC was given the authority to

apply for grants but having the Town Board approve is better. All in favor, 0 opposed, motion carried.

#### **4. Materials needed and assignments.**

Larry said we have asked CVAE for the materials that are needed.

Pgs 10, 11 and 12 need to be filled out. The narrative needs to be re-worked. To be noted there will be only a single array to serve the Library and Medical Clinic. We need a narrative pulled out of one of our other grant narratives, the best one being the narrative from the Chequamegon Bay Independent Communities grant describing La Pointe and Madeline Island. Also need to add seasonal, year around and tourist population numbers. Lisa said she did this.

Need to insert qualifications of committee members Marty and Tom.

Need to be sure we have the CO<sub>2</sub> emissions that would be avoided by the installation –both for a yearly and a 25 year period. We are missing the number of actual dollars the Town would save with this installation.

One of the attachments we need is on page 3 of the CVAE summary report file that lists all the municipal facilities and the sanitary district and the approximate array size for each. This includes the town park, ferry dock etc that are not being considered at this time.

Marty suggested if we are awarded the grant and there may be an opportunity to partner with Northland College who runs a photovoltaic installation renewable installation class for credit – that would be a great partnership to offset some of the costs to do it for credit. Larry said we also want to mention that we are adjacent to the school and get some education value there as well.

One of the other impositions of this grant is that we have to spend it by May 31, 2016.

We will spend it!!! Agreement!!!

There are other grants to apply for and this grant will play into those pieces.

Jim said looking at the CVAE proposal there is Option 1. Library. Option 2. Library/Clinic with approximately the load we have now. Option 3. Library/Clinic exceeding the load they have now. If the grant goes forward and specifies option 3 and we find we cannot quite afford that could we go down to Option 2 or would this require the grant to be re-worked? Larry said we can put in the grant that we back down to option 2 in the narrative but option 1 would be awkward. Could put a paragraph in the narrative that says the Library and Medical Clinic will share an 18kW system installed behind Medical Clinic. We need to remember consumption will increase as the Library is adding air-conditioning. We can put in the option of backing down to 16kW easily in that project narrative.

Marty has to leave and thanks Larry for all his work. Larry said about the note Marty sent for a grant due December 14<sup>th</sup> – that is a grant with a lot of money for communities with high energy costs which we might not qualify for as our costs are not inordinately high. However, we do have a propane dependency which might make us qualify. Larry will look into this. Marty will keep looking for grants.

#### **5. Set next meeting and agenda.**

Will wait to schedule the next meeting. Larry said as soon as the grant goes in he will start draft an RFP and look at the RFP that CVAE had included in their report.

#### **6. Adjourn**

Motion by Glenn to adjourn, second Tom, all in favor, all aye, motion carried.

Thank you everyone!

Meeting adjourned at approximately 10:30am.

Minutes taken from recorder and respectfully submitted by Kathy Erickson, Clerical Assistant

Minutes approved as presented 2/5/2016

Alternative Energy Committee

November 5, 2015

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